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Scoglio Olivi Shipyards

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1. The former Scoglio Olivi Shipyard in Pulj together with their respective offices, installations and workshops, constitute at the present time a single industrial compound which bears the name Poduzece Uljanik (Uljanik Enterprise), designated by the symbol P-44.¹ This Enterprise is militarized, and in a sense is both under the jurisdiction, and at the same time a component, of the Yugoslav Navy. Sixty-four per cent of all the work done by the Enterprise constitutes either repair or construction work for the Yugoslav Navy.
2. The compound, which is surrounded by an enclosure which follows the boundaries of the former arsenal, the former Naval Engineers Headquarters and the former torpedo-boat pier, has been extended to include the bridge leading to Olivi Reef. A small number of the installations which comprise the workshops and offices of the former Italian Naval Engineers Headquarters, situated opposite the former syndicate warehouse, is located outside the enclosure.
3. Among other things, this is the only shipyard enterprise in Yugoslavia which has three dry docks. At the present time, it is still far from achieving the status of "most important Yugoslav shipyard" owing to the fact that, like all other Yugoslav state-controlled enterprises, it is subject to the limitations and red tape resulting from political indolence, bureaucracy, and various economic and technical factors.

Production and Organization

4. Political divergences existing among the workers have not only had sizeable disparaging effects upon this program, but tend to cause turmoil and to reduce production. The workers and technicians of the former Scoglio Olivi Shipyards can be divided politically into four distinct groups:

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- a. Individuals who have remained faithful to Tito;
 - b. Cominformists;
 - c. Confused and disorientated individuals; and
 - d. Workers opposed to any form of Communism.
5. The economic factor is also responsible for low production. Wages are inadequate in comparison to the very high cost of living. The worker strives to achieve the quota set for him or even to exceed it if possible, for fear of being accused of sabotage and brought before the Military Tribunal of Split for trial. The majority of workers succeed in surpassing the established quota; however, this usually represents waste of time and of material, inasmuch as a great deal of the work turns out to be of inferior quality and workmanship, and must be done over again.
6. Insofar as the technical organization of the Enterprise is concerned, inefficiency exists. Many vacancies have been created in the Enterprise owing to the fact that numerous technicians and workers have voluntarily sought refuge in Italy. Some of these vacancies have been filled for temporary periods by workers and technicians of the [redacted] who went to Pulj attracted by stories of the Tito "paradise." Following the Yugoslav break with the Cominform, the majority of these individuals returned [redacted] 50X1-HUM 50X1-HUM
7. The training schools instituted within the Enterprise by the directorate fail to provide the workers with adequate training for their jobs. Up to the present time these schools have been under the direction of [redacted] labor and technical guides who were formerly cadre members at the Scoglio Olivi Shipyard, or at the former arsenal [redacted]. Presumably, control and direction of these schools for apprentice workers will be transferred to Yugoslav hands soon. Inasmuch as the latter are unprepared and untrained, instruction given to the shipyard workers in the future will tend to be even more deficient than at present. 50X1-HUM 50X1-HUM
8. The bureaucratic organization characteristic of the Enterprise has greatly contributed to its inefficient operation, decreased production and lack of progress. Every requisition for material and each work project suffers days, weeks and months of delay due to red tape.

Staff and Workers

9. The directive staff of the Enterprise is as follows:
- a. Director General. Nicola Ivanovic from Vela Luka, Kurcola, a former fisherman, who replaced UDB Major Bozo Glazar after the latter fled to Hungary in late April 1949. [redacted] 50X1-HUM
 - b. Assistant Director and Secretary of the Shipyard Communist Party Committee. UDB Major Antonia; [redacted] 50X1-HUM
 - c. Chief Engineer. Major Djuro Stipetic. [redacted]
 - d. Directing committee. Composed of eleven members selected from among 110 individuals comprising the workers' council. Tomo Poporat of Pulj is Chairman of both the directing committee and the workers' council. The directing committee of the workers' council, in conjunction with the Enterprise directorate, controls and supervises the work done by the Enterprise. Another duty is to ascertain that all work plans are carried out. Generally, these bodies ignore responsibilities which concern the welfare of the workers.

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10. Parallel in importance to the Directorate of the Shipyard Enterprise is the Naval Control Commission composed of a group of naval officers, among them a certain Captain Stipetic, formerly a noncommissioned officer in the Yugoslav Royal Navy. Until recently the presiding officer of the Naval Control Commission was Major Stjepan Dimitrijevic, a self-styled engineer who was arrested and served successive sentences on the charge of abusive use of an academic title. The other members of the Naval Control Commission have been identified as follows:

- a. Engineer Bobovinski (or Bobztinski) A native of Poland; assistant to Chief Engineer Stipetic of the Enterprise directorate;
- b. Engineer Bobovisek Chief of the construction and designing department;
- c. Engineer Matzkit A native of Lithuania, believed to be a refugee from the Soviet Zone of Germany, who arrived at the Enterprise during August 1950; Deputy Chief of the construction and designing department; and
- d. Engineer Kalugercic Chief of the naval department and assigned to the iron construction department (carpentry and blueprint rooms).

Approximately 3,800 workers and clerical employees are attached to the Enterprise. One sixth of these persons is employed in the administrative offices (including the miscellaneous units) and the remaining five sixths are employed in production.

Departments and Divisions

11. The Enterprise directorate has jurisdiction and control over the following departments and divisions:

- a. Administrative department, under the direction of Nicola Ivanovic, who is also director general of the Enterprise. The administrative department has the following subdivisions:
 - (1) General services division, under the direction of office manager Commander Zikovic, a veteran of the Spanish Civil War;
 - (2) Personnel division, under the direction of Commander Franc Siska, [redacted]
 - (3) Business office, directed by Vladimir Osmak, a civilian and captain in the former Yugoslav Royal Navy; he is not a member of the Communist Party. This office comprises the following sections:
 - (a) Contracts office;
 - (b) Sales office;
 - (c) Purchasing office; and
 - (d) Stock and supply office.
 - (4) Accounting office, directed by office manager Luciano Matica of Sisan;
 - (5) UDS office, under the direction of an unidentified UDS major who replaced Captain Ante Modilo of Dobrovnik, when the latter was removed from his post following the occurrence of an incident to Tito's yacht, the JADRANKA; and
 - (6) Military office directed by an Army or UDS major who replaced Army officer Gasparaz some time ago. This office keeps military

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draft lists of the Shipyard personnel up to date and organizes pre-military education courses for the young workers. It is also responsible for the organization of air-raid defense within the area of the Enterprise.

Attachment 1 hereto is a chart illustrating the breakdown of directorate control.

12. The following units in the Enterprise are directly under the jurisdiction and control of the production department:
 - a. Nautical division, under the direction of a certain Alessic, recently repatriated from America, where he was employed as a technician at a naval shipyard. The nautical division has under its control and jurisdiction the so-called naval compound which includes:
 - (1) The VLADIMIRO GORTAN, a small tugboat;
 - (2) The OLIVA, a steam barge;
 - (3) Two canteens;
 - (4) Three concrete docks, the largest of which is used at present as a loading platform for construction or large-scale repairs on ships and floats;
 - (5) A steel floating dock;
 - (6) Two trestle-type pontoons; and
 - (7) One 40-ton, crane-type pontoon. This pontoon, which was constructed at Monfalcone for Italy, was ceded by the latter to Albania as a part of war reparations; was brought by Albania to Pulj for various construction projects; and remained there when diplomatic relations between Albania and Yugoslavia were severed;
 - b. Naval division, under the direction of a certain Kalugercic. Subordinate to this division are:
 - (1) The ironwork shop;
 - (2) The designing and blueprint shop;
 - (3) The electrical and manual-welding shop (recently a shortage of oxygen has resulted in the suspension of manual welding);
 - (4) The blacksmith shop; and
 - (5) The woodwork shop, where the hulls of ships are constructed;
 - c. Electrical division, under the direction of Engineer Ialen, whose assistant is technician Attilio Manzini of Pulj. This division comprises an electrical shop and a storage-battery shop;
 - d. Mechanical division, under the direction of Commander Plascovic, whose assistant is technical chief Baka. The dock mechanics and deck machinists, lathe operators, engine workers, pipe workers and deckhands are all subordinate to this division;
 - e. Office of estimates, which is under the direction of Attilio Zacchigna, . concerns itself with the study and drawing up of estimates for the various work projects, purchase of materials, et cetera;
 - f. Transportation division, directed by Captain Glavina. This division is in charge of the transportation and shipment of goods, by railway, automobile, truck and ship; and

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- g. A seventh division, [redacted] 50X1-HUM
 Although at the present time this division has only a carpentry shop which employs a squad of masons, it has actually absorbed the former carpentry shop and engineering shops [redacted]. Both offices and workshops belonging to the seventh division are situated outside the area of the Enterprise. In the area contained by the enclosure around the former Naval Arsenal, precisely in the spot where the former syndicate warehouse was located, is a small shop known as the "Naval Base." This is a mechanical workshop, equipped with one plane and three lathes. Some fifty workers are attached to this shop, which is directly subordinate to the V Naval Zone and is not a component of the Enterprise, although the latter sometimes assigns some of its workers to the Naval Base for temporary periods for the purpose of carrying out projects for the V Naval Zone. 50X1-HUM
13. Under the control and jurisdiction of the Enterprise directorate are certain independent miscellaneous units, whose work and activities are directly tied up with the administrative and production departments of the Enterprise. These miscellaneous units have been identified as follows:
- a. Plans office, under the direction of a certain Miro. This office has the responsibility of drawing up plans in connection with all Shipyard activities, and of assigning various work projects to the different shops and divisions;
 - b. Office of regulations and quotas, directed by a certain Barut from Trieste, presumably a citizen of the Free Territory of Trieste. The office of regulations and quotas has the responsibility of determining and fixing the amount of time required for the termination of each job and work project. The work quotas are established in accordance with the principle of achieving the greatest production possible with the least expenditure of time and money. Awards and commendations are bestowed upon the workers who exceed the established quota for a job, or who do extra work. However, when a worker fails to produce the established quota, unless he has a justifiable excuse for failing, he is forced to work overtime without compensation until the quota has been achieved. The fixing of definite quotas is a handicap to both the work and production, owing to the fact that the workers are so intent on attaining the quota that they are careless in the quality of workmanship. As a result, frequently the delivered product is returned and must be done again. Each time a project has been completed and the fixed quota has been achieved, the office of regulations and quotas fixes a higher quota for the next project; and
 - c. Technological office, under the direction of Pietro Ferencic. This office is responsible for increasing the value of the capital assets of the Enterprise through the construction of new workshops, the outfitting and equipping of new plants, et cetera. In short, this office is concerned with "creating the foundation for and establishing the possibility of a constantly intensified production."

Construction in Process at the Enterprise

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14. The following work projects are now in progress at the Enterprise in Pulj: 50X1-HUM

- a. M/V GALEB, former UCKA (formerly the [redacted] destroyer [redacted] started at Rijeka [redacted] and completed by the Yugoslavs.) This vessel, part of whose crew is military, is destined to be used as a naval training ship and an auxiliary cruiser. Eighteen work estimates, designated by the symbol U-804, have been drawn up for the GALEB. Some of the work carried out on this vessel is: 50X1-HUM
 - (1) The building of another deck, a project which so altered the stability of the vessel that it was necessary to load the holds with 140 tons of ballast;
 - (2) Construction of quarters aboard for 280 naval-officer students; and

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- (3) On the starboard side of the prow, a long steel yardarm, which has been welded to the top of the ship, is now in the process of construction. This steel yardarm can be raised in line with the starboard side of the prow, or lowered toward the stern until its tip is practically immersed in water.

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- b. YADRANEA, the former PERKUNO, renamed as Tito's yacht, is being outfitted at its mooring station opposite the former Naval Base in the former Naval Arsenal area;
- c. Submarine formerly the TREKOR, was until recently in the floating dock with a small coastal trading vessel known as POELA. The submarine needs storage batteries and the greater part of its electrical plant is missing. The directorate of the Enterprise, through the appropriate ministry in Zagreb and Belgrade, had ordered storage batteries for submarines from both [redacted] but the orders were rejected. Thereupon, a request for such equipment was advanced to unidentified firms which, until now, have failed to produce an affirmative reply. A similar request was made to the [redacted] in line with the aid promised to General Koca Popovic [redacted]
- d. Unidentified former [redacted] submarine is docked at the wharf of the smaller concrete dock at Scoglio Olivo. This submarine is in need of storage batteries;
- e. An E.TOTI-type submarine was recovered at Baros, Rijeka. This vessel is moored to the coal wharf of the former Naval Arsenal;
- f. Three 600-horsepower tugs of new construction;
- g. Three 200-horsepower tugs of new construction; and
- h. Three amphibious landing craft of new construction. These craft are the first of a series of 16 which are to be constructed at the Shipyard. The craft in question, which are composed of 10 or more sections, can be disassembled. They have twin hulls attached to a bridge-shaped framework, and appear identical to those used by the German Navy in North African ports during World War II for transshipment operations. Each craft is capable of transporting from six to eight 15-ton tanks. The symbol used to designate these amphibious craft now under construction is S-40. Attachment 2 hereto is a sketch of this type of craft;
- i. Now in the process of construction in the large ship basin are six vessels of the ARBAZNA type. When these are completed, the total number of these new vessels will be twelve. These vessels will be rigged as minelayers. The engines for these vessels are also being constructed simultaneously with the units for which they are destined. Of these six vessels, three have already been completed.
- j. A floating dock of wood-and-iron construction is now undergoing repairs in the large ship basin. This dock was towed to Pulj from Split;
- k. A passenger - cargo vessel, 52 meters in length, known as the BEOGRAD, is also anchored in the large basin; and
- l. The former German submarine, which had been recovered and docked in the large basin, has been scrapped.

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15. In addition to the above, the following work was completed by members of the Yugoslav naval forces at the Enterprise in Pula:

- a. Miscellaneous repairs on several minesweepers, former [redacted] fishing boats [redacted]
- b. ZELENGORA, former VES, leader of a minesweeper group, miscellaneous work;
- c. FIONIR (possibly a tug), miscellaneous work;
- d. PELICAN, based at the Vallelunga powder works, miscellaneous work;
- e. UCKA (former SALESTRA), maintenance and repair work. This vessel lacks the torpedo-launching tubes, but is equipped with a radar plant;
- f. DURMITOR (former ARLETTE), during April 1951 mechanical equipment was installed in the radar area;
- g. NEBOJSA (submarine J-112), maintenance work; submarine is unable to make a descent;
- h. Torpedo ship T-5, improvements in the quarters for the crew;
- i. PRIMORJE, naval training ship, minor repairs on engines and sails;
- j. T-35 (former SIMONETTA), which belongs to the school for naval pilots, and is now adapted for use as a naval transport, maintenance work; and
- k. Attempts have been made to repair flaws in the dock adjacent to the large dry dock because it is extremely difficult to keep the interior dry. Cement has been inserted at different points where water flows in, but without success.

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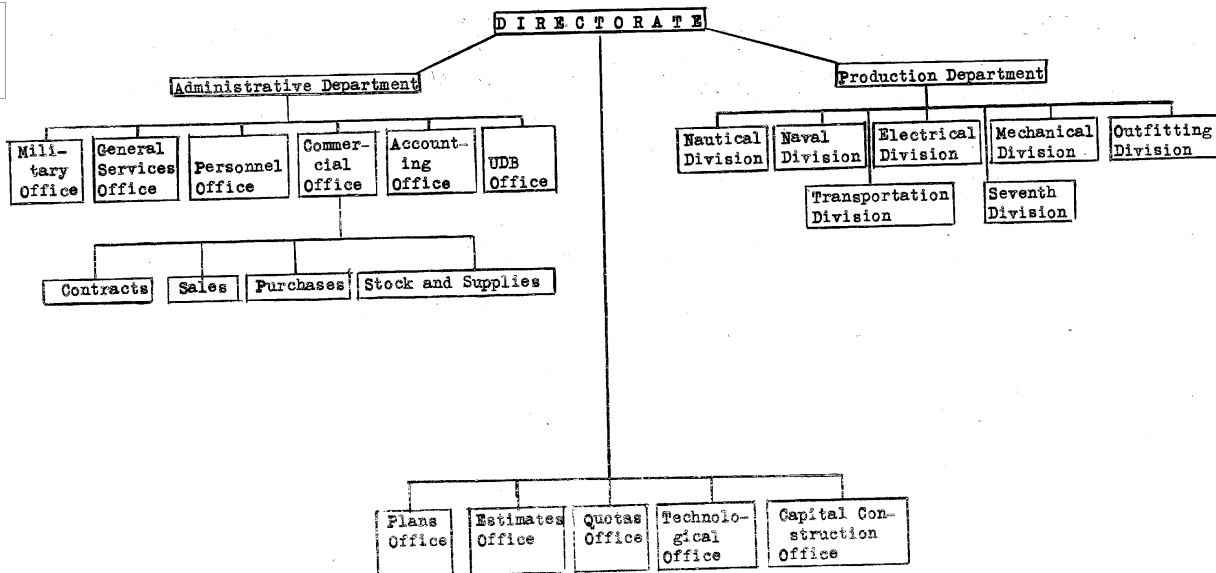


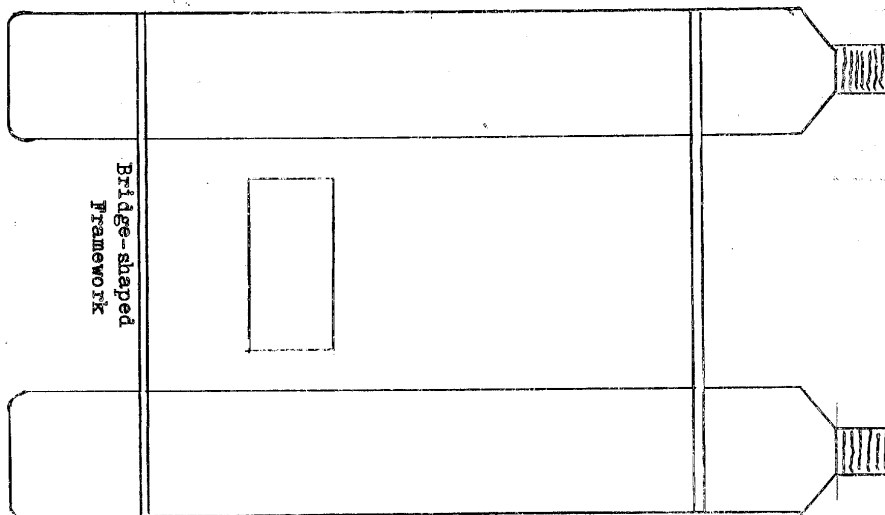
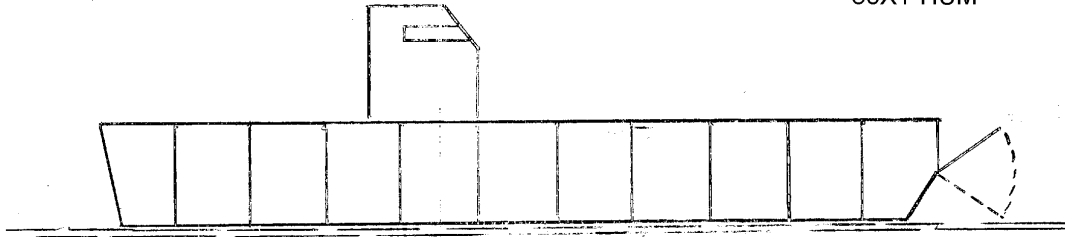
CHART SHOWING THE BREAKDOWN OF DIRECTORATE CONTROL OVER THE VARIOUS UNITS

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Attachment 2



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Sketch of S-40 Landing Craft

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